

**MINUTES
REGULAR MEETING
MINERAL WELLS CITY COUNCIL
CITY HALL ANNEX
February 20, 2018 - 6:00 pm**

City Councilmembers present were Mayor Mike Allen, Mayor Pro-Tem Tammy Underwood, Councilmembers Brian Shoemaker, Regan Johnson, Jerrel Tomlin, and Doyle Light. A quorum of City Councilmembers was present.

Staff members present were City Manager Lance Howerton, Finance Director John Moran, Fire Chief Mike Pool, Police Chief Dean Sullivan, City Clerk Peggy Clifton, and City Attorney Mack Reinwand.

Mayor Allen called the meeting to order. Councilmember Jerrel Tomlin led the invocation, and the Pledges of Allegiance to the U.S. and Texas flags were recited.

CITIZEN COMMENT

No one had signed to speak.

Following a motion made by Mrs. Underwood, seconded by Ms. Johnson, the following **CONSENT AGENDA** was approved by a vote of 6-0:

1. Consider approval of minutes of meeting held February 6, 2018.
2. Consider approval of budgeted expenditures over \$500.
3. Consider authorizing Corrosion Eliminator's Application for Payment in the amount of \$286,155.

ITEMS FOR INDIVIDUAL CONSIDERATION

4. Daniel Hungerford presented the Independent Auditors' Report of the Fiscal Year ended September 30, 2017. He stated there were no issues with the financial statements. The General Fund balance broke even. The unassigned fund balance in the General Fund was \$3,079,000. The City met its goal to have an unassigned fund balance in the General Fund of 25% of expenditures. General Fund revenues increased about \$288,000. This increase was mostly due to an increase in the M&O (Maintenance & Operations) Rate. Because of roof replacements, acquiring vehicles for the Police Department, and vehicles and equipment for the Fire Department, expenses increased about \$687,000. The increase was offset by additional insurance money received for the roof repairs, a capital lease for the four police vehicles, and an increase to transfers in.

ITEM #1

MEETING DATE 03/20/2018

Regarding the Proprietary Funds, the Utility and Airport Funds had decreases. The unrestricted funds for the Water and Sewer Fund was \$3,200,000. During the year cash for the Water and Sewer Fund increased about \$1,065,000, primarily due to capital expenditures such as the MH 379 Water Line Project and an increase in transfers to the General Fund. The Airport Fund had a \$114,000 decrease and had a negative operating income of \$354,000. Part of this was depreciation, still leaving a negative income from operations of \$19,000. In reference to the Drainage Utility Fund, the City added a \$2.50 charge to customers in March of 2017 resulting in approximately \$100,000 in income to do a Drainage Study and determine what improvements may be needed.

Mr. Hungerford then discussed the Independent Auditors' Report on internal control and compliance in accordance with Government Auditing Standards. There was a material weakness in internal control regarding purchasing. The MH 379 Project was approved without receiving sealed bids as required since the purchase amount was over \$50,000. There were other purchasing weaknesses that can be addressed with a new Purchasing Policy. Mr. Shoemaker moved and Mrs. Underwood seconded to accept the Independent Auditors' Report of the Fiscal Year ended September 30, 2017. Motion carried 6-0.

5. Mayor Allen opened a Public Hearing at 6:15 regarding a replat of 0.313 acres, to Lots 1 & 2 of the Mesquite Addition, and a rezone of Lots 1 & 2 of the Mesquite Addition. Mr. Howerton stated this request was presented to the Planning and Zoning Commission at its meeting on February 5. A Public Hearing was held for both the replat and the Zoning change. The Planning and Zoning Commission approved both the replat and Zoning change. Vincent Hemphill, of 4112 N.E. 5th Street, voiced his opposition of having an area zoned Manufactured Home so close to the airport. Council addressed this by explaining where the land was located and that it was not by the airport, just on Airport Road. Mayor Allen closed the Public Hearing at 6:23. Mr. Shoemaker moved and Mrs. Underwood seconded to approve an ordinance changing the Zoning classification on certain property known as Lots 1 & 2, Mesquite Addition, to HUD Code Manufactured Home District (MH); amending the Zoning District map accordingly; providing for a penalty not to exceed \$2,000 for each violation; providing this ordinance be cumulative; and providing for severability, governmental immunity, injunctions, publication, and an effective date; and to include the replat of Lots 1 and 2. Motion carried 6-0.
6. Mayor Allen opened a Public Hearing at 6:24 to consider a plat amendment in the College Addition. Mr. Howerton stated this request was presented to the Planning and Zoning Commission at its meeting on February 5. This amendment is to relocate an interior lot line and the Planning and Zoning Commission recommended its

approval. Mayor Allen closed the Public Hearing at 6:26. Mr. Light moved and Ms. Johnson seconded to approve a plat amendment of Lots 2-R1, and 3-R1, Block 22, of the College Addition to the City of Mineral Wells, Palo Pinto County, Texas. Motion carried 6-0.

7. Mr. Moran stated that in order to do a Texas Capital Fund application going forward, we needed to procure a Grant Consultant. He named five Administrative Service Providers from the CDBG approved list to receive an RFP for these services. Those five are Amazing Grants, Hollis Rutledge and Associates, Langford Community Management Services, Ricardo Gomez & Associates, and the Mineral Wells Industrial Foundation. These providers have already been through a selection process with the State. If Council approves, a recommendation for a provider will be brought to the March 20, 2018 Council meeting for the selection of a Grant Administrator. Ms. Johnson moved and Mrs. Underwood seconded to approve a resolution to advertise for an Administrative Services Provider for support in submitting a future application to the Texas Department of Agriculture under the Texas Capital Fund Program. Motion carried 6-0.
8. Mr. Moran stated that State law requires that the City go out periodically with a Request for Proposals (RFP) for Insurance Brokerage Services. The RFP would be due on March 13, and a recommendation will be brought back to the Council on April 3, 2018. Mr. Shoemaker moved and Mr. Light seconded to approve authorization of a Request for Proposals for solicitation of Insurance Brokerage Services. Motion carried 6-0.
9. There was no further business, and the meeting was adjourned at 6:30 pm.


Mike Allen, Mayor

ATTEST:


Peggy Clifton, City Clerk

APPROVED: 03/20/2018

